

REMARKS

Applicants have carefully studied the outstanding Office Action. The present amendment is intended to place the application in condition for allowance and is believed to overcome all of the objections and rejections made by the Examiner. Favorable reconsideration and allowance of the application are respectfully requested.

Applicants have canceled claims **10 - 17, 24 - 26** and **62 - 64** without prejudice, have amended claim **65** and have added claims **66** and **67** to more properly claim the present invention. No new matter has been added. Claims **65 - 67** are presented for examination.

The successive paragraphs of the Office Action are numbered 1-2-3-2-3-4. As such, applicants refer to both paragraph and page numbers hereinbelow.

In Paragraph 3 on pages 2 and 3 of the Office Action, the Examiner has indicated that claim **65** includes a "wherein" clause that suggests or makes optional. The Examiner cited MPEP 2106.04, but applicants believe that the intent was to cite MPEP 2111.04. Applicants have amended claim **65** so as to eliminate the "wherein" clause. Specifically, applicants have amended claim **65** to read

"... for each bidder from said subset of bidders who makes a payment in response to being admitted in each subsequent round ...".

This limitation is neither shown nor suggested in Brown and Walker.

Moreover, the tournament auction system addressed by claim **65** is motivated by bidders who are bidding to obtain "*a sequence of similar or dissimilar items*" (original specification / page 23, line 1). E.g., a bidder may want to obtain ten of a certain item. Such a system is not addressed by Brown or Walker.

In Paragraphs 2 and 3 on pages 3 - 5 of the Office Action, claims **10 - 17, 24 - 26** and **62 - 65** have been rejected under 35 U.S.C. §103(a) as being unpatentable over Brown, U.S. Patent No. 5,794,219 ("Brown"), in view of Walker et al., U.S. Patent No. 5,862,223 ("Walker"). Applicant has canceled claims **10 - 17, 24 - 26** and **62 - 64** without acquiescence to the Examiner's reasons for rejection and respectfully submits that rejection of those claims is thus rendered moot.

Support for New Claims in Original Specification

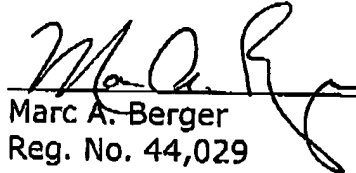
New dependent claim **66** includes the limitation that "... *said subset of bidders for a subsequent round of bidding comprises bidders who are prioritized over other bidders in the previous round of bidding*". This limitation is described in the original specification at page 23, lines 3 and 4.

New dependent claim **67** includes the limitation that "... *each subset of said plurality of items is allocated immediately after the round in which such subset of said plurality of items is auctioned*". This limitation is described in the original specification at page 22, lines 21 and 22.

For the foregoing reasons, applicants respectfully submit that the applicable objections and rejections have been overcome and that the claims are in condition for allowance.

Respectfully submitted,

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